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THE MERCHANTS' ASSOCIATION OF NEW YORK.

THE INCREASE IN TAXATION  
AND THE OUTLAYS OF THE  
BOARD OF EDUCATION.

FEBRUARY 4, 1901.

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## **The Increase in Taxation and the Outlays of the Board of Education.**

*New York, Jan. 21, 1901.*

**U**NDER date of December 19, 1900, we published an "Analysis of School Expenses of the City of New York," to show, by an example, the insufficiency of the public reports which are assumed to explain the public business to taxpayers.

Specific examples of questionable outlays for school purposes were given in full detail, showing that for janitor service, general repairs, school supplies, fuel and lighting the pro rata expense in Manhattan is much greater than in Brooklyn; that the records of school attendance, upon which are based demands for more money for new schools, are contradictory, and therefore unreliable; that an appropriation is asked to buy supplies for pupils in schools not yet built, and that an excessive allowance is made for supplies.

In response, under date of January 7, 1901, the Board of Education has addressed to the Mayor a "Report in Regard to a Statement, dated December 19, 1900, Published and Circulated Through the Medium of the Board of Directors of The Merchants' Association of New York." This document wholly ignores the question at issue, namely, whether the public reports of the Board of Education are worthless or sufficient; and either ignores or evades all our essential specifications which show *prima facie* wasteful outlays.

The documents that follow relate to the causes of excessive taxation in the city. They set forth the amount of the outlays by the Board of Education, the insufficiency of the reports in relation to those outlays, and the irrelevance of the Board of Education's Report of January 7th as a reply to the issue raised by our "Analysis" of December 19th:

I. *Letter from Miles M. O'Brien, Esq., President Board of Education, denouncing our Analysis as an "unfair and unjust attack," and protesting because we had not "first investigated thoroughly the records at the office of the Board."*

II. *Letter to Miles M. O'Brien, Esq., President Board of Education, showing that the office records of that Board have no bearing upon our assertion that its public reports are worthless, because defective.*

III. *Rejoinder to the "Report of the Board of Education," showing that in less than four years that Board had spent some \$18,000,000 for additional school properties; that it increased the pro rata outlay for a given seating capacity by about 50 per cent., exclusive of the cost of sites, and that its pro rata outlay for maintenance and operation has increased nearly 58 per cent. since 1896; and further showing that the Report of the Board to the Mayor does not meet the essential allegations of our "Analysis" of December 19th.*

*THE MERCHANTS' ASSOCIATION OF NEW YORK.*

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IN EXCHANGE,

I.

*Letter from Miles M. O'Brien, President Board of  
Education.*

BOARD OF EDUCATION, PARK AVENUE AND FIFTY-NINTH STREET, }  
NEW YORK, December 21, 1900. }

WILLIAM F. KING, Esq.,

*President The Merchants' Association.*

MY DEAR SIR:

I was rather astonished to see by to-day's papers that your Association countenanced an attack on the Board of Education without first investigating thoroughly the records at the offices of the Board, as to whether there was cause for what I consider the most unfair and unjust attack ever made on public officials. However, the statement made by your so-called expert will be answered in the near future. In the meantime, may I ask you to send me, to the office, in the Board of Education, half a dozen copies of the report referred to.

Very truly yours,

(Signed)

MILES M. O'BRIEN,  
*President Board of Education.*

## II.

### *Reply to Miles M. O'Brien, Esq., President Board of Education.*

THE MERCHANTS' ASSOCIATION, }  
December 24, 1900. }

HON. MILES M. O'BRIEN,  
*President of the Board of Education,*  
PARK AVENUE AND 59TH STREET, CITY.

DEAR SIR:

Your letter of December 21st to Mr. Wm. F. King, President of the Merchants' Association, has been referred to me. It contains the following sentence:

"I was rather astonished to see by to-day's papers that your Association countenanced an attack on the Board of Education without first investigating thoroughly the records at the office of the Board, as to whether there was cause for what I consider the most unfair and unjust attack ever made on public officials."

The office records of the Board of Education have no bearing whatever upon the question whether the public reports of that Board so explain its business affairs that taxpayers can judge for themselves whether the school fund is well managed or mismanaged.

I have not alleged that the office records of the Board of Education do not fully explain every outlay, and account satisfactorily for every dollar spent. I have not alleged mismanagement by the Board. I have made no attack, just or unjust, upon public officials. I have, however, asserted, and now reassert, that the public reports of the Board of Education do not exhibit in useful form the essentials of its business affairs, and that the estimates submitted by it to the Board of Estimate and Apportionment do not inform that body of the true nature of the outlays proposed.

Your public reports are the public accounting which you and your fellow-public-servants make of the vast trust fund con-



fided to you. Those reports are the only practicable means for scrutinizing your official acts. They are the mediums through which the people learn what you do, and why you do it. Their purpose is to explain the doings and the outlays of the Board of Education. The office records have nothing to do with that. You do not reach the public through your office records.

The sole question at issue, therefore, is not what your office records show, but what your public reports show, whether they contain the essential facts necessary to exhibit the business management of the schools, and what conclusions should be drawn, not only from what the reports contain, but from what they omit.

I assume that public reports should explain themselves ; if they do not, they are defective and, therefore, worthless. You imply that to properly construe your public reports, an inquirer must "thoroughly investigate your office records." I ask you to observe that I am discussing the nature of certain public reports and estimates made by the Board of Education, and not the nature of the office records of that body. When you imply that your office records explain your reports, you admit that your reports need explanation. That is, you admit that they are defective, and thereby admit the essence of my contention.

Is it your position that it is not requisite for a public report to contain or explain the essentials of its subject matter? Is it your idea that people who want information about school affairs have no right to expect to find it in public reports, published expressly to give that information? Do you hold that because your office records may possibly explain what your public reports do not, your reports should not be criticized by those who find them defective. and believe that their defects not only make them worthless, but also hide large apparent waste? If such are your views, a discussion of what public reports are for, and what they should contain is certainly timely, and even necessary.

You seemingly hold all these views, for you denounce my review of your public reports as "an unjust and unfair attack," not on the ground that my statements are not true, but that I had no right to make them without thoroughly investigating your office records.

I do not agree with you. I think that your public reports should exhibit all the essentials of the business management of

the schools. You have no right to expect the public to search your office records (which is wholly impracticable) for what should be found in your public reports. If those reports are defective, their defects should be shown, and temperate criticism, sustained by proof, is not "an unjust and unfair attack."

I have examined your public reports and your printed estimates with great care to learn whether they serve the public purpose intended, namely, that of a proper check upon public servants. I support my conclusion that they do not, by abundant evidence, drawn from the reports themselves, in ample detail, and with exact citations of authorities for all essential statements of fact. To this, you, in effect, rejoin that your office records explain what the public reports fail to explain.

I find in your public reports and estimates many things that need explanation. They relate to the use made of trust funds. There are omissions which make it very difficult to scrutinize and test certain outlays. When the omissions are supplied and the tests made, very large discrepancies appear. The conditions thus shown are identical with those which would result from waste or from fraud; they might also result from entirely proper causes. Suitable public reports would show whether they are the result of proper causes, of wastefulness and incompetency, or of actual corruption.

The causes of such conditions should not only be explained, but should be explained publicly. I hold that public reports are the fitting vehicle for such explanation. A full public accounting for trust funds is not only the best, but the only sufficient proof of a public servant's fidelity and capacity. Public reports are for the purpose of exhibiting the proof. If they exhibit all the essential facts in summary and digest, they subject the official acts of public servants to review and criticism; that is to say, they check waste and expose incapacity. If they are defective in substance or form, they fail of their purpose, and are, therefore, worthless.

I have said that your public reports are worthless as a sufficient accounting for outlays of some \$19,000,000. I have cited the reports themselves in proof of my assertion. I have shown that statements of facts found in your reports raise a presumption against certain classes of outlays of large amounts. I have shown

that your reports do not destroy the presumption by justifying the outlays.

Do you think such reports are what they should be, and above criticism? I do not. On the contrary, I think the reports of the Board of Education are excellent examples of what public reports should *not* be. For that reason they are to be submitted to the Legislature to show why an effective system of public reports should be made compulsory.

Very truly yours,

(Signed)

FREDERICK B. DE BERARD,  
For The Merchants' Association of New York.

### III.

#### *Rejoinder to Reply of Board of Education.*

UNDER date of December 19th The Merchants' Association of New York published a report which characterized as insufficient and worthless the official reports of the Board of Education, on the ground that they do not properly exhibit the business affairs of that body. The Board of Education in a formal report to the Mayor has replied under date of January 9, 1901. On the first page of the latter report, signed by Miles M. O'Brien, Esq., President of the Board of Education, appear these words :

\* \* \* "Emanating from an organization claiming to be devoted to mercantile and commercial interests, and having as its principal feature or line of action the regulating and disciplining of railroads and other corporations, when their interests unduly clash with those of the merchants, it suggests itself at once that there must be some particular reason or motive for this marked interest and activity in the line of educational research, which would appear to be somewhat remote from the sphere of usefulness in which the organization is ostensibly engaged. However, whatever the purpose may be, and what motives governed the twelve directors of The Merchants' Association in giving publication to an untruthful and mischievous statement, this department is not prepared to suggest at this time. Sufficient to say that the published statements attempt to convey improper impressions to the public mind, and appear to wantonly discredit the administration of one of the most important factors in city affairs, namely, the Public Schools of the City of New York."

The object of The Merchants' Association of New York is to protect the business and property interests of this city against harmful artificial conditions of any and every kind, especially against discriminative charges and wrongful exactions from which the merchants of other cities are free, and which therefore

make unequal conditions of competition between New York and other cities. These include not only discriminative railroad rates, but all that affects the cost and selling prices of merchandise, such as unequal enforcement of the customs laws, excessive port and terminal charges, insufficient wharfage facilities, inadequate ship channels leading into this harbor, and above all, excessive and needless taxation.

In the year 1890 the tax per capita in the City of New York—now the Borough of Manhattan—was \$22.06. In the year 1899 it was \$33.49, an increase of more than 50 per cent. The expenses of this city pro rata are nearly twice as great as those of most other cities in the United States. In every department they have within a few years increased enormously without obvious justification therefor, or sufficient explanation by the city's executive officials. This is especially true of the Department of Education in the present Borough of Manhattan and the Bronx. In the year 1896 the outlay for maintenance of school properties and for teaching in that Borough was \$5,643,368, or \$28.73 per pupil; for the current year, 1901, the appropriation is \$10,689,137, or approximately \$44.30 per pupil. This is an increase of nearly 58 per cent. in the pro rata cost.

Between the Fall of 1895 and the Spring of 1899—a period of about  $3\frac{1}{2}$  years—the Board of Education acquired, or began condemnation proceedings to acquire, in the Borough of Manhattan and the Bronx sites for nearly 60 new schools and from 90 to 100 other sites for additions to existing schools and for extension of school grounds.

Two new school buildings and one addition were contracted for in 1895. From January, 1896, to April, 1899, contracts were made for 36 additional new schools and 17 additions or annexes. The cost of buildings and equipment was about \$10,000,000. The cost of the sites actually acquired by the city prior to April, 1899, was approximately \$5,000,000. To pay for the sites then in process of condemnation required a probable outlay of \$3,000,000. Thus about \$8,000,000 was paid for about 120 new sites to accommodate 56 new schools, additions and annexes, and for about 40 new sites to provide light and ventilation and to enlarge school yards. On a portion of these sites interest charges amounting to \$136,000 were paid while condemnation proceedings were going on—a needless addition of about 10 per

cent. to their cost. This was due to provisions of law and to delay by the Corporation Counsel's office.

The purpose of this outlay of approximately \$18,000,000 in less than four years was to provide for the education of children excluded from the public schools because there were no seats for them. In fact, a large part of the money spent did not promote that purpose. It was invested in lots that could not be at once utilized; in new buildings in localities where the need for them was much less urgent than elsewhere, and in some instances non-existent; in expensive high-schools, for a class of pupils numbering but  $1\frac{1}{2}$  per cent. of the whole, and in other school buildings of high cost, great size and relatively small seating capacity. The new buildings provide ample accommodations for janitors' work-rooms, and for heating and ventilating apparatus; ample recreation-rooms, which are certainly desirable, and even essential; ample assembly-rooms, which are very useful, and excellent roof playgrounds. These things are proper adjuncts, but not prime essentials; and they do not meet an exigency which demands class-rooms. When, as in former years, the Board of Education used the public funds primarily for class-rooms, the outlay of about \$100,000 would build and equip a schoolhouse with a seating capacity for 1,000 pupils. Since 1895 the cost has steadily increased. The recent average cost of buildings and equipments, omitting the cost of sites, is from \$140,000 to \$150,000 per 1,000 pupils, and in some cases as much as \$224,000.

For several years constant appeals have been made for money to save the schoolless children of this city from the ills of ignorance. About \$18,000,000 was appropriated in three and one-half years. Of some \$8,000,000 expended for sites, probably \$3,000,000 went for sites that cannot be put to use for several years and for enlarging the grounds about old schools. Of some \$10,000,000 expended for buildings, at least one-third went to provide better conveniences and more attractive architecture instead of seating capacity. It is fully conceded that the conditions demanded a heavy outlay. Not only more but also better school-buildings were imperative. Many of the old buildings were wholly out of date and inadequate for the more exacting needs of the present day. Beyond doubt a broad and

expansive policy having in view the future as well as the present, was wise and commendable. It is certain that large present investment in sites for future needs is prudent economy. Due provision for recreation and hygiene is certainly necessary; possibly it could not or should not be postponed. But even so, the taxpayers of this city, whose money it is that has been expended, who have paid the enormously increased cost of this important department, should know the reasons for the policy, the warrant for the outlay and the results produced by it. They have now no practicable means of learning the facts. However warrantable in itself the expenditure may be, there is no warrant for failure of an agent to clearly account to his principal for the outlay of moneys entrusted to him. This Board has added enormously to the burden of the taxpayers of this city. The manufacturing and mercantile interests and the owners of real estate are oppressed and burdened down by the excessive taxation which now prevails, and they can learn no sound reason for the excess.

The Board of Education had \$18,000,000 in about four years on the plea that it was needed to educate children; and for that \$18,000,000 that Board has provided but two-thirds of the seating capacity which resulted from equal outlays five years ago.

It is because similar conditions exist in all the departments of the city that The Merchants' Association of New York has taken up the task of learning the causes and the possible justification for these outlays. Incidental to that task an examination of the public reports of the Board of Education has warranted the statement in a previous publication by this Association that those reports are worthless for the public purpose intended, namely, exhibiting to taxpayers the exact disposal made of their money and the propriety of the outlays. In the publication entitled "Analysis of School Expenses of New York," published under date of December 19th, 1900, examples of the insufficient nature of the reports of the Board of Education and of the contradictory character of the outlays set forth by them were given in minute detail. The statements made therein were not in the nature of an impeachment of the management or the integrity of the Board of Education. There was not in any manner any slur upon that Board, except as to the entire insufficiency of their

accounting to their principals, namely, to the public, for their stewardship.

The President of the Board has chosen to regard this critical examination of an insufficient public document as a personal reflection. In the Report to the Mayor, under date of January 9, 1901, he has denounced the publication of this Association as malicious, wanton and falsified. Comment on Mr. O'Brien's adjectives is unnecessary.

Mr. O'Brien wholly ignores the essential allegation made by this Association, namely, that the Reports of the Board of Education are worthless because insufficient; and the essential specifications that show *prima facie* waste and bad management.

The intent of this Association is to bring about the adoption of a proper system of accounting by public officials and of public reports to taxpayers. The issue is stated clearly on pages 4 to 7 in the letter addressed to Mr. O'Brien, which shows the reasons for declining here to discuss matters not germane to that issue.

Mr. O'Brien uses forty pages of fine print and has the assistance of several of the principal officials of the Department of Education to admit that the Reports of the Board of Education do not explain themselves, and to declare that it is absurd for any layman or "so-called expert" to expect to understand them without the aid of an official interpreter. It is self-evident that Reports which need a forty-page argument to make them intelligible are defective. As Mr. O'Brien proves the defects by his explanation of them, it is needless to prove what he concedes.

As to the details in which Mr. O'Brien indulges, it is sufficient to show that he evades all that is essential.

It was alleged and supported by ample proof that in the Borough of Manhattan the pro rata cost of janitor service is 55 per cent. more than in Brooklyn. Mr. O'Brien does not explain this.

It was alleged that the cost of supplies for the teaching department of the Borough of Brooklyn had been raised in the estimate for the current year—1901—from \$1.73 to \$2.15 per scholar. This increase represents a wholly needless outlay, and is pure waste. Mr. O'Brien does not explain this.



It was alleged that an appropriation was asked for supplies for schools not yet built. Mr. O'Brien does not explain this.

It was alleged that the cost of lighting and fuel in Manhattan was excessive in comparison with the cost in Brooklyn. The reply is merely an evasion.

An attempt is made to explain the appropriation for general repairs. The statements made by Mr. O'Brien as to that item are wholly disingenuous. The specification was restricted to certain specific items in one branch of General Repairs and to certain specific schools in connection therewith. We did not discuss the total outlay for every class of repairs in connection with those specific schools; but Mr. O'Brien has done so. That is not argument; it is perversion.

As to the general charge of excessive outlay for general repairs, the statement on Page 7 of the Analysis of December 19th gives the exact conditions as derived from the official reports of the Board of Education. The total outlay for both Boroughs agrees with that named by Mr. O'Brien, and it covers every class of repairs. The total number of sittings is that stated on Page 16 of the Annual Report of the Board of Education for 1899. The cost per thousand sittings is obtained by dividing the total outlay by the number of thousand sittings. Any one capable of ordinary arithmetic can verify the result.

There remains in controversy only the subject of attendance. Our analysis discussed average daily attendance mainly with relation to total seating capacity. Superintendent Maxwell charges falsification of the aggregates by means of deducting from the official total attendance the number of evening pupils, and assuming the remainder as the day attendance. Our arraignment of the Reports of the Board of Education as insufficient rests upon the fact that proper knowledge of existing conditions cannot be learned from its pages. Mr. Maxwell proves our contention, as shown by the following citations: On Page 976 of the printed Budget for 1901 is a table, prepared by Mr. Maxwell and officially certified by him as correct, which was presented to the Board of Estimate and Apportionment as the statutory basis for distribution of the school moneys. In column two of the following schedule, it will be observed that the attendance therein stated is that of "ALL" pupils. If these words mean what people of ordinary

# EXTRACT FROM CITY BUDGET FOR 1901, PAGE 976.

STATISTICS UPON WHICH THE GENERAL SCHOOL FUND FOR THE YEAR 1901 IS TO BE APPORTIONED IN ACCORDANCE WITH CHAPTER 751, LAWS OF 1900.

BOROUGH.	PUBLIC SCHOOLS.		CORPORATE SCHOOLS.		Total.
	Number of qualified Teachers or successive qualified Teachers who actually taught in the public schools, during a term of not less than thirty-two weeks, of five successive days each, inclusive of legal holidays, during the year 1899-1900	Aggregate number of days of attendance of ALL PUPILS between four and twenty-one years of age, during the school year 1899-1900.	Number of qualified Teachers or successive Teachers who actually taught during a term of not less than thirty-two weeks, of five successive days each, inclusive of legal holidays, during the school year 1899-1900.	Aggregate number of days of attendance of ALL PUPILS between four and twenty-one years of age, during the school year 1899-1900.	
Manhattan and the Bronx,	5,775	42,027,584	220	2,788,938	44,816,522
Brooklyn.....	3,743	24,855,004	22	764,479	25,619,483
Queens .....	724	4,051,340	.....	.....	4,051,340
Richmond.....	250	1,500,507	.....	.....	1,500,507
Total .....	10,492	72,434,435	242	3,553,417	75,987,852

intelligence understand them to mean, they comprise both evening and day pupils, and warrant the deduction that if the evening attendance is subtracted from the total (which comprises *all* pupils) the remainder will be the day attendance. The fact that the Reports of the Board of Education do not state the day attendance separately speaks for itself. No comment can add to its force.

If Mr. Maxwell sees fit to charge falsification, and to impute wrongful motives, because it is assumed that his words mean what they seem to mean, then Mr. Maxwell has no fit knowledge of the duties of a public official or of the proprieties of his place.

Wasteful public outlay means oppressive, and in the end destructive, taxation. The effect is already partially evident. An enormous volume of corporate capital has within a few years been driven out of the city and the State by foolish tax laws, which assume that stringent provisions and severe penalties will produce a revenue from movable property which can escape by crossing a river.

At this moment I have nothing further to say, except that Mr. O'Brien does not in any way meet the issue raised by this Association—namely, that the public reports of the Board of Education are worthless as sufficient exhibits of public business.

Respectfully submitted,

(*Signed*).

FREDERICK B. DE BERARD,  
For The Merchants' Association of New York.







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